

HEALTH CARE PLAN

All changes to the U S WEST Health Care Plan ("Plan") will be effective January 1, 1993, unless another effective date is specifically set forth in the provisions below. Any changes to the Plan shall apply to expenses that were incurred on or after the effective date of the change.

Dental

Section A1.6 Effective January 1, 1993, the lifetime maximum orthodontia benefit will be increased to sixteen hundred dollars (\$1600). The increased maximum shall apply only to expenses incurred after the effective date of the increase.

Section A1.7 The fee schedule (i.e., scheduled allowance) for the ten (10) most utilized restorative or orthodontic procedures (based upon utilization by all primary participants under the Plan over the twelve (12) month period of January 1, 1991, through December 31, 1991) shall be increased by a uniform percentage which will be determined as follows: (a) the Company shall engage an actuary familiar with the Plan to calculate what the Company's cost would have been to increase the lifetime maximum orthodontia benefit for members of the Union from \$1600 per person to \$2000 per person; (b) the actuary shall then calculate a uniform percentage by which the fee schedules for the ten (10) most utilized procedures could be increased which would result in a cost to the Company equivalent to the cost determined in (a). The actuary shall utilize assumptions in making the foregoing calculations which are reasonable in the aggregate and consistent with the assumptions used for the Company's proposals made during the negotiations leading to this Agreement.

Section A1.8 The Company will commence establishment of managed care networks for dental services where contracts satisfactory to the Company can be obtained.

Mental Health

Section A1.9

- (a) Remove the thirty (30) day limitation on inpatient mental health treatment to the extent that such treatment is preauthorized and case managed.
- (b) Increase the outpatient mental health benefits to \$3,000 per participant annually.

Second Surgical

Section A1.10 With respect to multiple surgical procedures in the same operative session (whether performed in the same or separate incision or in the same or separate operative field), the plan reimbursement level for all such procedures other than the most expensive procedure shall be applied to 75 percent of Reasonable and Customary charges (or 75 percent of the MetLife Fee Schedule, if applicable) instead of 50 percent of the Reasonable and Customary charges (or 50 percent of the MetLife Fee Schedule, as applicable) as in the current Plan. (Additional charges for incidental procedures shall continue to be excluded as not customary.)

With regard to assistants at surgery, benefits will be provided for the services of physicians, physician's assistants and RN's who actively assist the operating surgeon in the performance of surgical services performed in a hospital when such service is medically necessary, and when the type of surgical service is certified as medically necessary, and when the type of surgical service requires such assistance.

Benefits will also be provided for the services of a stand-by physician when medically necessary. The stand-by physician must also be in attendance at the surgery to be eligible for payment.

Health Care Caps

Section A1.11

- (a) The Company shall provide funds for the actual aggregate U S WEST Health Care Plan ("Plan") costs (including Plan coverage of Medicare Part B premiums) for retirees for each calendar year after 1991, up to a total Company contribution of not less than an amount calculated according to the following schedule of Company contributions (per retired employee):

Under age 65, single coverage	\$3770.00
Under age 65, joint coverage	\$7910.00
Age 65 and over, single coverage	\$2010.00
Age 65 and over, joint coverage	\$4010.00

With respect to individuals retiring on or after January 1, 1991, (except employees who retired under ERO) the Company reserves the right to assess individual premiums (which, if assessed, shall vary based on whether the individual is over age sixty-five (65) and whether single or joint coverage is elected) as an alternative method of funding Plan costs in excess of the amount of Company contributions calculated under the above schedule. However, no retired employee shall be required

to pay any contribution toward Plan costs for coverage prior to January 1, 1996.

- (b) For employees who retire on or after January 1, 1991, the Plan shall provide the same level and type of benefits (subject to the possibility of the Company's assessment of premiums as set forth in paragraph (a) of this Section) as provided from time to time under the health care plan for active occupational employees, and the Company shall continue to have the right to amend such benefits. This paragraph will apply to employees who retired under ERO only to the extent it is consistent with the "ERO" health care commitment.
- (c) For active and future retired employees, there shall be no lifetime maximum on the amount of benefits available from the benefit plan during the term of this Agreement.

Section A1.12 The Company will continue to maintain and establish managed care networks to include physicians and hospitals where contracts satisfactory to the Company can be maintained.

Section A1.13 The Company will develop as soon as practicable and review with the Advisory Committee on Health and Wellness a voluntary Health Risk Assessment Program.

Section A1.14 Effective August 16, 1992, the Plan will coordinate benefits under the Coordination of Benefits provision to "billed" charges rather than "allowable" charges (which are based on "reasonable and customary" charges), and eliminate the credit savings feature of the provision.

Hearing

Section A1.15 A scheduled hearing benefit, as described in this paragraph, will be added to the Plan. During any thirty-six month (36) period of participation, coverage will be provided for (a) one (1) hearing exam up to a maximum of \$50, regardless of medical necessity, and (b) \$300 for hearing equipment, as defined in this paragraph, which is prescribed by a physician. In order to be a covered expense, the hearing exam must be performed by a physician or licensed audiologist (the licensing requirement applies only to the extent that the state in which the exam is performed licenses audiologists). Hearing equipment covered by this provision means ear molds, hearing aid instruments, initial batteries, cords and ancillary equipment, initial warranty and one (1) follow-up consultation within thirty (30) days after purchase of the equipment. In order to be a covered expense under this provision, the eligible services/equipment cannot be covered in whole or in part by any other provision of the

August 16, 1992

Mr. Thomas J. Burns
Assistant to the Vice President
Communications Workers of America
District #7
8085 East Prentice Avenue
Englewood, Colorado 80111

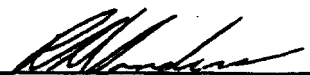
RE: Medical Cap - Future Retirees

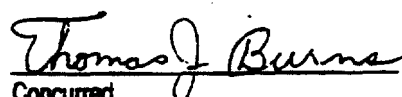
Dear Mr. Burns:

In 1989 and again in 1992 Bargaining, the parties amended the U S WEST (Medical Expense Plan) Health Care Plan so as to "provide that the amount of the Company contributions for coverage of a retired employee (i.e., an employee who retires after January 1, 1991) shall not exceed..." a specified amount (i.e., a contribution cap).

This letter will confirm our agreement that during future bargaining, the contribution cap for future retirees will be set. The Company hereby agrees to adjust the current retiree cap to match the future retiree cap as bargained.

Sincerely,


R. D. Sanders
Director
Labor Relations


Concurred
Thomas J. Burns
Assistant to the Vice President
Communications Workers of America

August 16, 1992

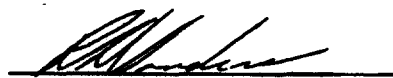
Mr. Thomas J. Burns
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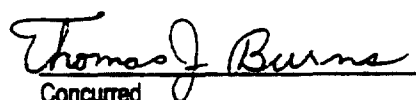
RE: Tax-Exempt Trust

Dear Mr. Burns:

The Company shall continue to maintain and/or establish one or more tax-exempt trusts under Section 501(C)(9) of the Internal Revenue Code for the purpose of funding some or all of the following benefits for eligible employees and retirees, their eligible dependents, and/or their designated beneficiaries; life insurance, sickness, medical, accident and other allowable welfare benefits. The level and timing of all contributions to such trusts and trust reserves shall be determined in the sole discretion of the Company subject to any applicable limitations under the Internal Revenue Code. The funding of post-retirement medical benefits, and such other benefits as the Company shall deem appropriate, shall be separately accounted for within the trust.

Sincerely,


R. D. Sanders
Director
Labor Relations


Concurred
Thomas J. Burns
Assistant to the Vice President
Communications Workers of America

August 16, 1992

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Assistant to the Vice President
Communications Workers of America
District #7
8085 East Prentice Avenue
Englewood, Colorado 80111

RE: Retiree Health Care Contribution

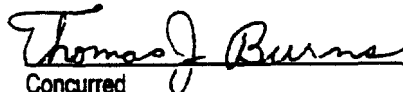
Dear Mr. Burns:

In the application of the procedures relating to the "Company Contribution", no category of retired employee would be required to make contributions toward the cost of the Company-provided medical plan coverage during a Plan Year if the projected total costs (determined on an aggregate average basis) for retired employees did not exceed the maximum Company contribution (determined on an aggregate average basis) for retired employees applicable to that year. In other words, if in a given Plan year, the projected costs for one (1) category of retired employees (i.e., retired employees 65 or older) exceeded the maximum Company contribution for that category, but the total projected costs did not exceed the maximum Company contribution determined on an aggregate basis, then no retired employee would be required to make a contribution during the applicable year.

Sincerely,



R. D. Sanders
Director
Labor Relations



Concurred
Thomas J. Burns
Assistant to the Vice President
Communications Workers of America

ATTACHMENT 13

About This Handbook

This handbook provides easy-to-use "Summary Plan Descriptions" of many of your benefits at U S WEST.

This handbook describes your U S WEST benefits on a plan-by-plan basis. It includes details about each plan and outlines the steps you must take to receive full value from your benefits. Each plan has a table of contents, section headings, and numerous subheadings to help you find the information that you need. At the very end of the handbook, an index will help you locate specific benefit information. And the loose-leaf binder format will help you keep the handbook up to date as plans change and new pages or sections are distributed to you.

Because the legal documents these plans are based on can be difficult to understand, an effort has been made to write these descriptions in non-technical language. You will want to keep this handbook where it will be readily available as a reference. You should also keep copies of Benefits Bulletins and Company newspaper articles on benefits which are distributed from time to time when certain aspects of your plans change or need additional clarification.

Important Provisions

The following legal provisions need to be considered when reading and using this handbook:

- **Amendments and termination:** The Company and any of its affiliates reserve the right to amend or terminate any of the plans—with respect to all participant classes, retired or otherwise—without prior notice to or consultation with any participants, subject to applicable collective bargaining agreements.
- **No employment guarantee:** Nothing in this handbook says or implies that participation in the plans is a guarantee of continued employment.

Information In Margins

Many key definitions, phone numbers, and benefit details will be highlighted in the margins throughout the handbook (like this!). You should pay special attention to this information.

Company

The term "Company" as used in this handbook means U S WEST, Inc., or any subsidiary which has adopted for its employees the particular plan being discussed. For a list of plans and participating companies as of the date of this handbook, see pages A8 through A11.

Plan Sponsor, Plan Administrator, And Trustee

Throughout this handbook there are references to the "plan sponsor," "plan administrator," and "trustee." To identify the name, address, and phone number of these entities for your plans, see the chart beginning on page M4.

- **Tax advice:** No Company employee can be responsible for advising you on the tax effects of your participation in any of the plans described in this handbook. Because tax laws are complicated and constantly changing, you should consult a tax advisor if you have questions about how participation in any Company plans will affect your personal tax situation.
- **ERISA rights:** Your legal rights under the Employee Retirement Income Security Act of 1974 (ERISA) are described on pages M13 and M14 of this handbook. ERISA protects your rights as a participant in your benefit plans and also states the responsibilities of the plan sponsors, plan administrators, and trustees.

This handbook is intended to summarize your benefit plans. It is based on official documents that may include Company policies, contracts, insurance certificates of coverage, plan documents, and trust agreements. While this handbook is intended to be accurate, the official documents contain all the specific provisions. If there are any discrepancies, the official documents will govern.

Your U S WEST Benefits

As an active U S WEST employee, you are eligible for a comprehensive benefits program providing the security and flexibility to meet your individual needs.

Benefits are a big part of your total compensation at U S WEST. The Company spends millions of dollars annually on benefits designed to provide you with a measure of financial security—both now and in the future.

Some benefits provide protection against the financial effects of illness, disability, and death. Others help you accumulate capital and income for the future. Many of your benefits, like the pension plan, are provided entirely at Company expense. Some, like the savings plan/ESOP, require your own contributions.

Understanding your coverage choices in medical, dental, vision, health care spending account, and dependent care spending account benefits is particularly important. In order to make the best choices for you and your family, you need a clear picture of the impact of those choices.

Most of the information in this handbook concerns the benefit provisions that affect you as an active employee. However, there is also valuable information on the ways your benefits may change as your employment status changes. The chart that follows is a general summary of those changes.

What Happens To Your Benefits If . . .

Your U S WEST Benefits	If You Are Receiving Short-Term Disability Benefits	If You Are Eligible For Long-Term Disability Benefits
Medical	Protection continues	Protection continues
Dental	Protection continues	Protection ends*
Vision	Protection continues	Protection ends*
Health Care Spending Account	Participation continues	Participation ends*
Dependent Care Spending Account	Participation continues	Participation can continue until end of calendar year
Short-Term Disability	Full or 60% pay can continue for up to 52 weeks	Protection ends
Long-Term Disability	Protection continues	Up to 60% of your pay (offset by other payments) can continue until age 65—longer in some instances
Group Life Insurance	Coverage may continue	Coverage may continue for a specified period; AD&D terminates
Dependent Group Life Insurance	Coverage may continue	Coverage may continue for a specified period
Business Travel Insurance	Protection continues	Protection ends
Savings Plan/ESOP	Participation continues	You may elect to receive or defer distribution of the full value of your account
PAYSOP	Participation continues	You may elect to receive or defer distribution of the full value of your account
Pension Plan	Participation continues	You can be eligible for a pension

* Limited rights to continue for up to 18, 29, or 36 months are available.

** Certain dependents can be covered under Company plans after coverage continuation expires, so they would not need to convert to an individual policy.

If You Die	If You Retire	If You Leave U S WEST
Protection for your survivors can continue for a limited time and they may then convert to an individual policy**	Protection continues	Protection ends;* you may convert to an individual policy
Protection ends*	Protection continues	Protection ends*
Protection ends*	Protection ends*	Protection ends*
Participation ends*	Participation ends*	Participation ends*
Participation can continue until end of calendar year	Participation can continue until end of calendar year	Participation can continue until end of calendar year
Protection ends	Protection ends	Protection ends
Protection ends	Protection ends	Protection ends
Several life insurance benefits can be paid	Some coverages can continue	Benefits end; you may convert some coverages to an individual policy
Benefit ends; dependents may convert to an individual policy	Benefit ends; dependents may convert to an individual policy	Benefit ends; dependents may convert to an individual policy
Insurance benefits can be paid if your death is related to business travel	Protection ends	Protection ends
Your beneficiary receives the full value of your account	You may elect to receive or defer distribution of the full value of your account	You may elect to receive or defer distribution of the vested part of your account
Your beneficiary receives the full value of your account	You may elect to receive or defer distribution of the full value of your account	You may elect to receive or defer distribution of the full value of your account
A set death benefit equal to one times your salary may be paid; surviving spouse may be entitled to immediate annuity payments	Monthly income is payable for the rest of your life	Deferred benefits may be payable

Employment Status/Labor Agreements

The plan-specific sections of this handbook contain additional details about how changes in your employment status affect your coverage. In addition, employees who are part of a collective bargaining unit participate in benefit plans that are maintained pursuant to the current labor agreements between the Company and various unions. You may request a copy of these agreements by writing to:

U S WEST, Inc.

Labor Relations

188 Inverness Drive West, Suite 700

P.O. Box 6605

Englewood, CO 80155-6605

About Health Care Coverage

Your health care coverage is consolidated under a single plan which provides many kinds of benefit coverages.

Your medical, dental, vision, health care spending account, and dependent care spending account are consolidated into a single plan—the U S WEST Health Care Plan—to provide you with coverage to meet your needs.

Enrollment will take place annually, normally beginning in October and ending in mid-November.

Note that there are several medical programs within the U S WEST Health Care Plan:

- **The Medical Program for Bargained Employees (administered by MetLife)**—available to employees covered by collective bargaining agreements other than the Broadband Construction Agreement (see page C7 for specific eligibility).
- **The Co-Pay Medical Program for Management and Non-Bargained Employees (administered by MetLife)**—available to management employees and occupational employees not covered by collective bargaining agreements (see page D7 for specific eligibility).
- **Health Maintenance Organizations (HMOs)** available in many areas.
- The programs above exclude all active employees and employees retired after 1990 and living in Minnesota and Wisconsin. These employees choose between two medical programs within the U S WEST Health Care Plan:
 - The Blue Cross and Blue Shield of Minnesota Medical Program** (administered by Blue Cross and Blue Shield of Minnesota); and
 - The HealthPartners Medical Program** (available in the Minneapolis-St. Paul metro area and administered by GHI Administrators, Inc., an affiliate of HealthPartners).

Regardless of which medical program you are eligible for, the plan also provides you with dental, vision, and spending account programs which are administered by MetLife, except for employees covered under the Broadband Construction Agreement (who are limited to HMO coverage only).

Claims Administrator

References to “your claims administrator” will apply to the claims administrator for your specific program listed at left. The Metropolitan Life Insurance Company (MetLife) also administers the dental program, vision program, and spending accounts as described in Sections E, F, G, and H. MEDCO Containment Services administers prescription drug services for certain medical programs as described in the following materials.

Plan Participation And Cost

Health care coverage is available to you and your dependents. Your contribution level is based on your status on the payroll record and your coverage choices.

Long-Term Disability (LTD) Recipient

An "LTD recipient" is an individual who after January 1, 1991, becomes entitled to receive LTD payments under the Company's disability plan.

Primary Participant

"Primary participants" are those the plan allows to submit enrollment forms for themselves or others.

Incidental Employees

"Incidental employees" are those classified as incidental under a collective bargaining agreement.

Eligibility

You are eligible for health care coverage as a primary participant if you are classified on the Company payroll as a regular or incidental employee, you are a long-term disability recipient, or you retire from the Company after 1990 on a service or disability pension. Your dependents are also eligible, according to the provisions summarized on pages B13 and B14.

To participate in the plan, you must sign and return an enrollment form. If you fail to complete your enrollment form, the Company will assign you to a predetermined default coverage as described below. If you are a new hire, you must sign and return your completed form within 30 days from your eligibility date to avoid default coverage. Even though you are assigned default coverage, your claims will not be processed until your enrollment form is returned.

Generally, benefits are paid to the participant unless assigned to the provider.

Default Coverage

If you are currently enrolled and you fail to return your enrollment form during the open enrollment period, you will be defaulted to the same health care options you currently have. You will not be enrolled for a health care or dependent care spending account.

If you are newly eligible to participate in the plan, and you are an active employee and you fail to return your enrollment form, you and your dependents will have no health care coverage until an enrollment form is returned.

If you retire on a service or disability pension or become eligible to receive long-term disability benefits, your medical elections (and dental if applicable) will remain the same as when you were active and you do not have to complete a new enrollment form.

If you are an incidental employee (eligible for medical coverage only), you will not have coverage if you don't return an enrollment form.

Limitations

As a primary participant covered under this plan, you cannot also be covered as a dependent under this plan, nor can you be covered under any other health plan of any U S WEST Company other than the U S WEST Retiree Health Care Plans (e.g., husband and wife employees of U S WEST cannot generally cover each other as dependents). However, if you and your spouse both enroll in the same Health Maintenance Organization (HMO) which requires a participant contribution, one of you can waive individual coverage and be listed as a dependent of the other. In addition, if you or your spouse has the option of waiving certain coverage (as an incidental or part-time employee), the spouse who has the coverage can claim the spouse who waived the coverage as a dependent.

Dependents under this plan can be covered under only one primary participant (e.g., only one of two married employees may cover their common eligible dependents at any one time). And no individual may be covered as a dependent under this plan if he or she is covered under any other health plan of a U S WEST Company other than the U S WEST Retiree Health Care Plans.

Other limitations on eligibility include:

- If you are re-employed by the Company after you begin receiving your pension and you become covered under this plan, you will no longer be eligible for the health care coverage provided to you as a retired employee. When you return to pension status, you will remain covered by this plan as a retired employee.
- Incidental employees (as determined by payroll records) are eligible only for medical coverage. No other plan coverage is available.
- Long-term disability recipients are eligible only for medical coverage. No other plan coverage is available unless continuation coverage is elected (see page B28).
- Class II dependents and sponsored children are only eligible for medical coverage. No other plan coverage is available.

Qualified Medical Child Support Orders (QMCSOs)

The Company complies with all Qualified Medical Child Support Orders (QMCSOs). A QMCSO is a court order, under family or child support laws, that may require a parent to enroll his or her children in his or her employer's medical plan. The QMCSO may also require benefits to be assigned to a child, to a custodial parent, or to a legal guardian. QMCSOs can be sent to the plan administrator listed on page M5.

Additional information on the definitions applying to your dependents is included in the "Dependent Coverage" section, beginning on page B13.

Trust Funds

The Company may choose to fund its portion of your health care coverage by making contributions to one or more trusts established by the plan sponsor or its affiliates. These trust funds would then be available for payment of your plan benefits in lieu of payment directly from the Company's general funds. The Company's contributions to the trust funds may be in the form of the Company's common stock, and up to 50% of the plan's assets may be invested in Company common stock.

Your Coverage Amount

Different life insurance coverages can offer various amounts of benefit protection in case of death or accidental losses.

Impact Of Executive Life Insurance

If you are or become covered by the U S WEST Executive Life Insurance Plan, your basic and AD&D coverage under the U S WEST Group Life Insurance will be limited to \$50,000 each and your supplemental coverage will cease. Additional basic and supplemental life insurance coverage is included in the U S WEST Executive Life Insurance Plan.

Annual Pay

"Annual pay" means your annual rate of pay at the time of death including certain bonuses, commissions, incentives, and merit awards, but excluding other types of compensation such as differentials, overtime, and special allowances, all as determined by the Company.

During your active employment with the Company, you are provided basic and AD&D coverages, paid by the Company. You may also purchase supplemental and dependent life coverages.

Basic Coverage

Through the age of 65, your basic coverage provides life insurance equal to your "annual pay" increased to the next higher \$1,000 increment.

Beginning with the first day of the month following your 66th birthday, your coverage will be reduced by 10% of the initial amount each year up to a total reduction of 50% by age 70.

Example: If your basic coverage is \$30,000 at age 65, then:

At Age:	Reduction:	Coverage Reduces To:
66	1st reduction to 90%	\$27,000
67	2nd reduction to 80%	\$24,000
68	3rd reduction to 70%	\$21,000
69	4th reduction to 60%	\$18,000
70	5th reduction to 50%	\$15,000

Service And Disability Pensions

Your pension benefit is determined by several factors including TOE, age, and compensation.

Eligibility For A Service Pension

You are eligible to receive a service pension if you leave the employment of a Participating Company after meeting the following requirements:

Retirement Age	Term Of Employment
Any age	At least 30 years
50 thru 54	At least 25 years
55 thru 59	At least 20 years
60 thru 64	At least 15 years
65 and older	At least 10 years

Disability And Service Pension

If you become disabled and you are eligible for a service pension, you will receive a service pension at the expiration of benefits instead of a disability pension. Like a disability pension, this service pension at the expiration of benefits will not be discounted if you are under age 55.

Eligibility For A Disability Pension

You are eligible for a disability pension if you meet all of the following requirements:

- You have completed a TOE of 15 years.
- You are totally disabled due to sickness or injury, including accidental injury arising in the course of employment.
- Your disability continues at the expiration of maximum Company-provided short-term disability benefits.

A disability pension is payable as long as the disability prevents you from returning to work for a Participating Company or for an Interchange Company.

If you were granted a disability pension by an Interchange Company or a related company in which you were covered by the MPA, and you become employed by a U S WEST Company participating in the pension plan, your disability pension from the Interchange Company will cease. Your pension when you leave U S WEST will be either a service pension or a deferred vested pension in accordance with eligibility requirements.

Vesting

The vested (nonforfeitable) portion of your profit sharing retirement plan account is determined using the following schedule:

Years Of Vesting Service At Termination	Vested Percentage
Less than 1 year	0%
1 year but less than 2 years	20%
2 years but less than 3 years	40%
3 years but less than 4 years	60%
4 years but less than 5 years	80%
5 or more years	100%

This same vesting schedule will continue to apply to your account under the pension plan.

You will always be 100% vested if you become disabled, regardless of how much service you have. If you die, your beneficiary will be 100% vested in your profit sharing retirement plan account.

Distributions

Your profit sharing retirement plan account may be paid as a monthly annuity under the pension plan. However, you or your beneficiary may elect to receive the benefit in one payment at the time you retire or terminate employment for any reason (including disability or death). This payment would be made in lieu of a monthly annuity at age 65. Your spouse's consent is required to waive the annuity payment unless your balance is \$3,500 or less. See page L55 for information regarding tax withholding.

No withdrawals are allowed other than as a result of retirement or termination of employment.

ATTACHMENT 14

U S WEST COMPENSATION PER EMPLOYEE

	<u>1992</u>	<u>1993</u>
A. Wages and Salaries (\$000's) *	1,776,071	1,826,099
B. Benefits (\$000's) **	704,406	867,767
C. SFAS-106 Amount in (B) (\$000's)	373,644	380,707
D. Total Compensation (A + B)	2,480,477	2,693,866
E. Employees at End of Year ***	52,393	49,639
F. Average Employees	53,526	51,016
G. Compensation per Employee (\$) (D/F)	46,342	52,804
H. Percent Change from Prior Year		13.94%
I. Benefits as % of Total Comp. (B/D)	28.40%	32.21%
J. SFAS-106 as % of Total Comp. (C/D)	15.06%	13.39%

NOTE: U S WEST adopted SFAS-106 accounting effective 1-1-92.

Sources

- * ARMIS 43-02, Table I-1, Income Statement Accounts, Row 720, Column (ac)
- ** ARMIS 43-02, Table I-1, Income Statement Accounts, Row 720, Column (ad)
- *** ARMIS 43-02, Table I-1, Income Statement Accounts, Row 830, Column (bb)

U.S. ECONOMY COMPENSATION PER EMPLOYEE

	<u>1992</u>	<u>1993</u>
A. Total Compensation (\$B) *	3,591.2	3,780.4
B. SFAS-106 Amount in (A) (\$B) **	—	43
C. Average Employees (000's) ***	108,597	110,726
D. Comp. per Employee (\$) (A/C)	33,069	34,142
E. Percent Change from Prior Year	—	3.2%
F. SFAS-106 as % of Total Comp (B/A)	—	1.1%

Sources

- * U.S. Department of Commerce, Bureau of Economic Analysis, Survey of Current Business, Table 1.14, July 1994 (Vol.74, No.7).
- ** Godwins Study "best estimate" of a 2.54% increase in direct labor costs from SFAS-106 adoption for the sector of the economy with SFAS-106 benefits. That sector represents only 32% of total U.S. employment.
The incremental SFAS-106 amount is approximately \$30B for the U.S. economy.
U.S. economy pay-as-you-go amount represent an added \$13B, approximately.
Assumes amortization of the TBO for comparison with the price cap LECs' data.
- *** U.S. Department of Labor, Bureau of Labor Statistics, total nonagricultural employment (all employees, total nonfarm payrolls).

ATTACHMENT 15

EVENTS ASSOCIATED WITH OPEB FILING ACTIVITY

- 1 - 12/26/91, FCC released Order, In the Matter of SWB and GTE Notification of Intent to Adopt Statement of Financial Accounting Standards No. 106, Employers' Accounting for Postretirement Benefits Other than Pensions, AAD 91-80.
- 2 - 4/3/92, U S WEST filed Transmittal No. 245, Other Post Employment Benefits - SFAS 106, Exogenous Cost Filing, seeking exogenous treatment for total OPEB related expenses, \$38 Million annually.
- 3 - 4/30/92, Order of Investigation and Suspension, In the Matter of Treatment of Local Exchange Carrier Tariffs Implementing Statement of Financial Accounting Standards, "Employers Accounting for Postretirement Benefits Other Than Pensions", CC 92-101, suspended Transmittal No. 245 until 1/1/93.
- 4 - 6/1/92, U S WEST Filed Direct Case, CC 92-101.
- 5 - 7/1/92, Oppositions to Direct Cases or Comments on Direct Case, CC 92-101.
- 6 - 7/15/92, U S WEST filed Rebuttal to Oppositions, CC 92-101.
- 7 - 12/31/92, Order "In the Matter of Treatment of Local Exchange Carrier Tariffs Implementing Statement of Financial Accounting Standards, "Employers Accounting for Postretirement Benefits Other Than Pensions", U S WEST Communications, Inc. Tariff F.C.C. Nos. 1 and 4", Transmittal No. 246, CC 92-101, allowed Transmittal No. 246 to go into effect on 1/1/93 under accounting order.
- 8 - 1/22/93, Memorandum Opinion and Order, "In the Matter of Treatment of Local Exchange Carrier Tariffs Implementing Statement of Financial Accounting Standards, "Employers Accounting for Postretirement Benefits Other Than Pensions", U S WEST Communications, Inc. Tariff F.C.C. Nos. 1 and 4", Transmittal No. 246, CC 92-101, denied OPEB Exogenous Treatment required refile to remove from indexes and rates, did suggest filing the TBO portion as early as the 1994 Annual Filing.
- 9 - 4/2/93, U S WEST filed Transmittal No. 345, 1993 Annual Access Tariff Filing, effective 7/2/93, included an exogenous cost change for the TBO portion of OPEB for a 18 month period, 1/1/92-6/31/93, approx. \$48 Million.